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AGENDA ITEM 7

TO: MEMBERS OF THE PERFORMANCE AND COMPENSATION COMMITTEE

- I. SUBJECT:** 2007-2008 Performance Plans for Recently Appointed Investment Managers (First Reading)
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** Approve the First Reading of the 2007-2008 Performance Plans for the Recently Appointed Investment Managers
- IV. ANALYSIS:**

The Board of Administration's Compensation Policies and Procedures include a schedule for approving performance plans and reviewing quarterly status reports. Performance plans for newly-appointed investment management staff will be presented on a flow basis, as soon as is practical after each position is filled. This item presents, for first reading, the performance plans for three recently appointed Investment Managers. The duty statements are attached for information.

In accordance with the program policies and procedures, the quantitative measures in these performance plans have been reviewed for clarity by the investment consultant.

V. STRATEGIC PLAN:

Under Goal V of the Strategic Plan, CalPERS is committed to sustaining a high performance work culture. This can be accomplished at the highest executive levels through the establishment of methods that provide broad flexibility in the recruitment, retention and compensation of key personnel.

VI. RESULTS/COSTS:

The establishment of performance measures is critical to the management of a competitive compensation program for executives at the highest levels of the organization. This, in turn, is critical to the success of the organization. The cost of performance awards that might arise from the recommendations in this item will be funded from existing resources.

Chris O'Brien, Chief
Human Resources Division

Gloria Moore Andrews
Deputy Executive Officer - Operations

Attachments

**2007-2008 Performance Plans for
Recently Appointed Investment Managers**

Duty statements and 2007-2008 Fiscal Year Performance Plans are presented for first reading in the following pages:

<u>Position</u>	<u>Current Incumbent</u>
Portfolio Manager, Global Equities	Craig Dandurand
Portfolio Manager, Real Estate	James Hurley
Portfolio Manager, Real Estate	Paul Mouchakkaa